

**INDIANA LONG TERM CARE PROGRAM**

**STATUTE**

Chapter 39.6 Long Term Care Program

Sec. 1. As used in this chapter, "long term care" means the provision of the following services in a setting other than an acute care wing of a hospital to enable individuals whose functional capacities are chronically impaired to be maintained at their maximum level of health and well-being:

- (1) Physician's services.
- (2) Nursing services.
- (3) Diagnostic services.
- (4) Therapeutic services, including physical therapy, speech therapy, and occupational therapy.
- (5) Rehabilitative services.
- (6) Maintenance services.
- (7) Personal care services, including companion services and assistance in bathing, dressing, and other skills of daily living.
- (8) Transportation services.
- (9) Day care services.
- (10) Home health care services.
- (11) Respite care services.
- (12) Services provided in a facility licensed under IC 16-28.
- (13) Services provided by chiropractors, podiatrists, and optometrists.

Sec. 2. As used in this chapter, "long term care facility" means a facility licensed under IC 16-28.

Sec. 3. (a) As used in this chapter, "long term care insurance" means insurance coverage for at least twelve (12) consecutive months for each covered person on an expense incurred, indemnity, or prepaid basis for one (1) or more necessary long term care services provided in a setting other than an acute care wing of a hospital.

- (b) The term does not include payment:
- (1) of coinsurance, deductibles, or premiums for other insurance policies;
  - (2) for services covered by other insurance policies; or
  - (3) for services covered by Parts A and B of the Medicare Program (42 U.S.C. 1395 et seq.).

Sec. 4. As used in this chapter, "health maintenance organization" has the meaning set forth in IC 27-13-1-19.

Sec. 5. As used in this chapter, "qualified long term care policy" means an insurance policy that:

- (1) provides long term care insurance;
- (2) meets:
  - (A) the definition set forth in IC 27-8-12-5; and
  - (B) the standards established under IC 27-8-12-7.1; and
- (3) is issued by an insurer or other person who complies with section 9(a) of this chapter.

Sec.6. (a) The Indiana long term care program is established to do the following:

- (1) Provide incentives for individuals to insure against the costs of providing for their long term care needs.
- (2) Provide a mechanism for individuals to qualify for coverage of the costs of their long term care needs under the Medicaid program without first being required to substantially exhaust all their resources.
- (3) Assist in developing methods for increasing access to and the affordability of a long term care policy.
- (4) Provide counseling services to individuals in planning for their long term care needs.
- (5) Alleviate the financial burden on the state's medical assistance program by encouraging the pursuit of private initiatives.

(b) The the office of Medicaid policy and planning and the department of insurance shall administer the program. The department of insurance may contract with a local office of aging services, an area agency on aging, or other nonprofit organization to provide counseling services under the program. The department of insurance shall develop and coordinate a plan to provide counseling services under the program.

Sec. 7. (a) The department of insurance or the agency with which the department of insurance has contracted under section 6(b) of this chapter shall make available to any individual interested in participating in the Indiana Long term care program information concerning the following:

- (1) The Indiana long term care program.
- (2) Long term care insurance policies.
- (3) Medicare supplement insurance policies.
- (4) Parts A and B of the Medicare program (42 U.S.C. 1395 et seq.).
- (5) Health maintenance organizations under IC 27-13 that are contracted with the Medicare program.
- (6) The Medicaid program.

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(b) If an individual elects to pursue any of the options under subsection (a), the department of insurance shall assist the individual in doing so.

Sec. 8. An individual who is either:

- (1) the beneficiary of a qualified long term care policy approved by the department of insurance; or

- (2) enrolled in a health maintenance organization that both provides long term care services and meets the requirements under sections 4 and 5 of this chapter;

is eligible for assistance under the Medicaid program using the asset disregard under section 10 of this chapter.

Sec. 9. (a) An insurer or other person who issues a qualified long term care policy under this chapter must at a minimum offer to each policyholder or prospective policyholder a policy that provides both:

- (1) long term care facility coverage; and
- (2) home and community care coverage.

(b) An insurer or other person who complies with subsection (a) may also elect to offer a qualified long term care policy that provides only long term care facility coverage.

Sec. 10. (a) As used in this section, "asset disregard" means one (1) of the following:

- (1) A one dollar (\$1) increase in the amount of assets an individual who:
  - (A) purchases a qualified long term care policy; and
  - (B) meets the requirements under section 8 of this chapter;may retain under IC 12-15-3 for each one dollar (\$1) of benefit paid out under the individual's long term care policy for long term care services.

(2) The total assets an individual owns and may retain under IC 12-15-3 and still qualify for benefits under IC 12-15 at the time the individual applies for benefits if the individual:

- (A) is the beneficiary of a qualified long term care policy that provides maximum benefits at time of purchase of at least one hundred forty thousand dollars (\$140,000) and includes a provision under which the daily benefit increases by at least five percent (5%) per year, compounded at least annually;
- (B) meets the requirements under section 8 of this chapter; and
- (C) has exhausted the benefits of the qualified long term care policy.

(b) When the office determines whether an individual is eligible for Medicaid under IC 12-15-3, the office shall make an asset disregard adjustment for any individual who purchases a qualified long term care policy. The asset disregard must be available after benefits of the long term care policy have been applied to the cost of long term care as required under this chapter.

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- (c) The qualified long term care policy an individual must purchase to be eligible for the asset disregard under subsection (a) (2) must have maximum benefits at time of purchase equal to at least one hundred forty thousand dollars (\$140,000) plus five percent (5%) interest compounded annually beginning January 1, 1999.

Sec. 11. A public program administered by the state that:

- (1) provides long term care services; and
  - (2) bases eligibility upon the amount of the individual's assets;
- must apply the asset disregard under Section 10 of this chapter in determining the amount of the individual's assets.

Sec. 12. If the Indiana long term care program is discontinued, an individual who purchased a qualified long term care policy prior to the date the program is discontinued is eligible to receive an asset disregard as defined under section 10 of this chapter.

Sec. 13. The office of Medicaid policy and planning may enter into reciprocal agreements with other states to extend the asset disregard under section 10 of this chapter to Indiana residents who had purchased qualified long term care policies in other states.

Sec. 14. The secretary of family and social services may adopt rules under IC 4-22-2 necessary to implement this chapter.